# UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF VIRGINIA (Richmond Division)

In re:	)	
	)	Chapter 11
CIRCUIT CITY STORES, INC., et al.	)	Case Nos. 08-35653-KRH
,	)	Jointly Administered
Debtors.	)	, and the second
	)	

# MOTION FOR FILING EXHIBITS UNDER SEAL

Alliance Entertainment, LLC ("Alliance") and Source Interlink Media, LLC ("SIM"), hereby submit this Motion for Filing Exhibits Under Seal (the "Motion"), and in support thereof, state:

### Jurisdiction and Venue

- 1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is matter is a core proceeding pursuant to 28 U.S.C. §§ 157(b).
- Venue of this proceeding is proper in this district pursuant 28 U.S.C. §§
   1408 and 1409. The statutory predicates for the relief sought herein are sections 105, 107 and 503(b) of the Bankruptcy Code.

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#### **Background**

- 3. On November 10, 2008 (the "Petition Date"), each of the above-captioned debtors (the "Debtors")<sup>1</sup> filed a voluntary petition with this Court under chapter 11 of the Bankruptcy Code. The Debtors are currently operating their businesses and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases. A committee of unsecured creditors has been appointed in this case. These cases are being jointly administered under the above-captioned case.
- 4. Alliance and Circuit City Stores, Inc. ("Circuit City") are parties to a Retail Product Services and Supply Agreement, dated June 15, 2007, as amended by Amendment No. 1, dated April 29, 2008, and Amendment No. 2, dated September 15, 2008 (collectively, with exhibits and schedules, the "Alliance Agreement"). Under the Alliance Agreement, Alliance sells or provides supply chain services to Circuit City with respect to compact discs ("CDs"); digital video discs ("DVDs") and video games ("Gaming") (collectively, the CDs, DVDs, and Gaming products are referred to herein as the "Goods").
- SIM and Circuit City are parties to an agreement dated July, 2006 (the "SIM Agreement"). Under the SIM Agreement, SIM sells books and magazines to Circuit City.

<sup>&</sup>lt;sup>1</sup> The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc. (6796), Sky Venture Corp. (0311), Prahs, Inc. (n/a), XSStuff, LLC (9263), Mayland MN, LLC (6116), Courchevel, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512).

- 6. Both the Alliance Agreement and the SIM Agreement contain confidentiality provisions that prohibit the disclosure of certain information.
- 7. On November 12, 2008, the Court entered its Order Establishing Bar Date For Filing Requests For Payment Of Administrative Expense Claims Under Bankruptcy Code Sections 105 And 503(b)(9) And Approving Form, Manner And Sufficiency Of Notice Of The Bar Date Pursuant To Bankruptcy Rule 9007 (the "503(b)(9) Order"). The 503(b)(9) Order approved the procedures for submission of section 503(b)(9) claims, which included, among other things, the requirement that each claim request set forth with specificity (i) the amount of the Section 503(b)(9) Claim, (ii) the particular Debtor against which the Section 503(b)(9) Claim is asserted, (iii) the date of shipment of the goods the Section 503(b)(9) Claimant contends the Debtor received within twenty (20) days before the Petition Date, (iv) the date of delivery of the goods the Section 503(b)(9) Claimant contends the Debtor received within twenty (20) days before the Petition Date. (v) the place of delivery of the goods the Section 503(b)(9) Claimant contends the Debtor received within twenty (20) days before the Petition Date, (vi) the method of delivery of the goods the Section 503(b)(9) Claimant contends the Debtor received within twenty (20) days before the Petition Date, (vii) the name of the carrier of the goods the Section 503(b)(9) Claimant contends the Debtor received within twenty (20) days before the Petition Date, and (viii) the value of the goods the Section 503(b)(9) Claimant contends the Debtor received within the 20 days before the Petition Date (collectively, the "Claim" Procedures").
- 8. Pursuant to the 503(b)(9) Order and consistent with the Claims

  Procedures, Alliance and SIM filed their claim request forms for section 503(b)(9) claims

in the applicable Debtors cases (the "503(b)(9) Claim Requests") on December 17, 2008. The confidentiality provisions of the Alliance Agreement and the SIM Agreement prohibit the disclosure of certain information contained in the 503(b)(9) Claim Requests. In addition, in order to fully comply with the required Claim Procedures, Alliance and SIM were required to provide certain confidential unit pricing and other information with their 503(b)(9) Claim Requests.

#### **Relief Requested**

9. In order to protect certain confidential business and pricing terms disclosed with their 503(b)(9) Claim Requests, Alliance and SIM hereby seek to have the confidential business and pricing terms (the "Confidential Terms") filed with their exhibits (the "Exhibits") to the 503(b)(9) Claim Forms treated as confidential and thereby deemed filed under seal with this Court. With the treatment as "filed under seal" and "confidential," Alliance and SIM request a prohibition on disclosure of the Confidential Terms or terms of the Alliance and SIM Agreements to any person or entity, unless otherwise ordered by this Court.

#### **Legal Analysis**

- 10. The Court is authorized to issue orders to protect entities from potential harm caused by the disclosure of confidential information under section 107(b) of the Bankruptcy Code, which provides that the court may "protect an entity with respect to a trade secret or confidential research, development or commercial information..."
- 11. In addition, Rule 9018 of the Federal Rules of Bankruptcy Procedures provides that a court may issue an order to protect "any entity in respect of a trade secret or other confidential research, development or commercial information..."
- 12. Under 107(b), "[t]he court determines whether the subject documents falls within the provisions of § 107(b) and the appropriate protective remedy if they do." *In re*

Barney's, Inc, 201 B.R. 703, 707 (Bankr. S.D.N.Y. 1996) citing In re Phar-Mor, Inc., 191 B.R. 675, 679 (Bankr. N.D. Ohio 1995). If the documents fall within one of the exceptions of section 107(b), the court shall offer protection. See In re Food Mgmt., 359 B.R. 543, 554 (Bankr. S.D.N.Y. 2007).

- 13. Courts have defined commercial information as information, which would cause "an unfair advantage to competitors by providing them information as to the commercial operations [of a business]." *In re Orion Pictures Corp.*, 21 F.3d 24 (2<sup>nd</sup> Cir. 1994). However, there is not a requirement that the commercial information rise to the level of "trade secrets." *See id.* at 28.
- 14. As a result of the information required with the Claims Procedures, and the nature of the Confidential Terms, Alliance and SIM respectfully submit that the Confidential Terms qualify for the section 107(b) exception and as such, the relief requested should be granted. No alternative method would adequately protect the Confidential Terms.

#### Waiver of Memorandum of Law

15. Pursuant to Local Bankruptcy Rule 9013-1(G), and because there are no novel issues of law presented in the Motion, Alliance and SIM request that the requirement that all motions be accompanied by a written memorandum of law be waived.

#### **No Prior Request**

16. No previous request for the relief herein has been made to this Court or any other court.

WHEREFORE, Alliance and SIM respectfully request that this Court enter an order prohibiting the disclosure of the Confidential Terms to any person or entity and authorizing that the Exhibits filed by Alliance and SIM with their 503(b)(9) Claim

Requests be deemed "filed under seal", and grant Alliance and SIM such other and further relief as is appropriate and just.

Dated: December 17, 2008 Respectfully submitted,

LINOWES AND BLOCHER LLP

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## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 17<sup>th</sup> day of December, 2008, I caused copies of the Motion for Filing Exhibits Under Seal to be sent via electronic mail to the parties on the service list attached hereto as Exhibit "A" and via first class United States mail, postage prepaid, to the parties on the service list attached hereto as Exhibit "B.":

/s/ Brian M. Nestor

Brian M. Nestor

#### **EXHIBIT A**

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# EXHIBIT B

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